

THE SINGLE MANAGER FOR CONVENTIONAL AMMUNITION

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Introduction

One of the Army's major contributions to interoperability of the Services is its role as Single Manager for Conventional Ammunition (SMCA). The Army maintains an industrial base that provides most of the explosives used in Defense weapon systems and loads bomb and missile warheads for the other Services. The Army also provides ammunition used in weapons such as M16 rifles, 20mm cannon (fired from a variety of fixed- and rotary-wing aircraft), Army and Marine Corps artillery (e.g., howitzers), Air Force Spectre gunships, and Navy guns. During Operation Allied Force, the Army made a major contribution to the Nation's success without firing a shot—virtually every munition used by the Air Force and the Navy was either made in an SMCA facility or included major components and subassemblies manufactured in SMCA facilities.

Background

In 1975, the Office of the Secretary of Defense (OSD) directed the establishment of SMCA. The Secretary of the Army (SA) was designated the new single manager because the Army controlled the majority of the industrial base. This made the Army proponent for the manufacture and distribution of 13 classes of ammunition and the operator for the CONUS wholesale

ammunition storage system. Navy and Air Force resources and several installations transferred to the Army. However, the Services retained control of developing new munitions and producing Service-unique munitions.

DOD Instruction 5160.65 delineates SMCA responsibilities and structure. It also divides conventional munitions into two categories—"SMCA-managed" and "Service-managed." The Army's SMCA facilities procure all mature SMCA-managed munitions and provide an industrial capability to support the Services' program, project, and product managers (PMs) in development and production of Service-managed munitions.

Structure

Essentially, the SA delegates mission execution authority to the Commanding General, Army Materiel Command (CG, AMC). The SMCA Center at the Munitions and Armaments Command, Operations Support Command (OSC), Rock Island Arsenal, IL, implements the SMCA mission.

The SA separately delegates acquisition authority to the Army Acquisition Executive (AAE). The AAE further delegates milestone decision authority and contracting authority to program executive officers (PEOs) and heads of contracting activities. For most SMCA procurements, these authorities flow back together in the OSC Headquarters

(OSC HQ). However, many ammunition programs managed by PEO, Ground Combat and Support Systems (GCSS); PEO, Tactical Missiles; and Deputies for Systems Acquisition at various AMC major subordinate commands are not under direct control of the OSC.

To coordinate procurements from these different activities, the Army recently established the TRIAD Ammunition Management Committee. The TRIAD provides a family and command-level forum for integrating the day-to-day operations of the conventional ammunition business. The TRIAD leadership includes the CGs of the OSC and the Tank-automotive and Armaments Command (TACOM) and the PEO, GCSS. A board of directors that includes the AAE and the CG, AMC supervises the TRIAD.

Another individual responsible for the integration of the conventional ammunition program is the Army's Deputy for Ammunition/AMC Deputy Chief of Staff (DCS) for Ammunition. This flag officer serves as a member of both the Secretariat and the AMC staff. In 1988, this organization was charged with the responsibility to function as the Army's executive agency in all ammunition matters. On behalf of the Secretariat, the agency participates in Department of the Army-level councils and decisions similar to those of the directorates of the Deputy for Systems

SMCA Organization



Management, and is the AMC staff lead for ammunition matters.

The Deputy for Ammunition formulates the Army's ammunition program and budget and represents the Army to Congress and the OSD staff. He or she is the Army Executive Agent for Insensitive Munitions, and the focal point for the recent law requiring SMCA review of procurement actions for impact on the National Industrial and Technology Base. The Deputy for Ammunition is also the Executive Secretariat for the TRIAD.

The last piece of the SMCA management function is the Executive Director for Conventional Ammunition (EDCA). DOD requires the EDCA to be an Army flag officer residing in the National Capital Region and to oversee the SMCA's major activities as designated by the SMCA Executor (CG, AMC). The EDCA functions as ombudsman for the other Services when dealing with the SMCA. The current EDCA is the Deputy Commanding General (DCG) for AMC. He is supported in this

function by a small personal staff headed by a Navy captain and an Air Force colonel. The SMCA structure is shown in the accompanying figure. In the following discussion, the term "SMCA" refers globally to any of these agencies acting on behalf of the SA in his capacity as SMCA.

Responsibilities

The single manager has three major responsibilities: wholesale logistics, acquisition of conventional ammunition, and management of the Defense ammunition industrial base. In its first function, the SMCA stores more than 2 million tons of Service munitions at eight CONUS storage activities. The Services are responsible for maintaining their ammunition and for manning a small liaison element at Rock Island, but the remaining costs are provided through Army resources. In addition, the Army provides demilitarization support—1 million tons in the last 8 years. The effectiveness of

SMCA logistics is seen in the low cost for this function—storage of ammunition costs less than \$100 a ton per year. No Defense operation of any consequence can take place without calling on the SMCA for logistics support.

The second function is the acquisition of conventional ammunition. Each Service funds the procurement of ammunition through its own appropriation. The OSC, on behalf of the SMCA, then accepts these funds and procures the ammunition. This represents the procurement of nearly \$1 billion of ammunition annually—the equivalent of an Acquisition Category 1 program. The SMCA also provides the infrastructure for Service PMs to acquire munitions that have not transitioned to SMCA management. This network includes 9 active and 5 reserve ammunition plants, more than 100 contractors, and the OSC SMCA center. The SMCA is very successful in arranging production at low costs for common items, as demonstrated in its recent award for small-arms ammunition,

which saved the Services more than \$200 million.

The most difficult mission of the single manager is the maintenance of the Defense ammunition industrial base. The Service's active inventory has more than 600 individual munitions, but less than 200 are procured in a given Program Objective Memorandum window. Of the remainder, nearly 100 are considered critical and require planning for replenishment within 3 years. Industrial planning requires the SMCA to remain informed on the Services' inventory of munitions, wartime requirements, and future plans.

Let's examine nitramine explosives as an example. These explosives are used in nearly all munitions, from C4 blocks to Trident missile motors. The peacetime requirement is small and can readily be provided overseas at reasonable prices. However, the replenishment requirement is approximately 100 times greater than peacetime demand and can only be met by SMCA's Holston Army Ammunition Plant. Consequently, SMCA must struggle to maintain viability at the Holston plant.

In 1998, Congress passed an additional law to assist SMCA in industrial base management. Section 806 of the Defense Authorization Act of 1999 requires SMCA to examine the industrial base and make decisions on restricting procurement depending on risks to the base. While it does not supercede the Competition in Contracting Act, the law provides an interesting twist because SMCA must evaluate procurements to determine the risk of full competition. The Army has delegated Section 806 authority through the AAE to the Deputy for Ammunition. All procurements for conventional ammunition, including Service-managed munitions, must have a certificate approved by SMCA. The new policy requires review of acquisition strategies and plans. If the Deputy for Ammunition finds a significant risk in an acquisition strategy, the AAE must render the final decision.

Recent Accomplishments

The ammunition industrial base has been through tough times as the Services reduced ammunition procurements by using excess Cold War ammunition to support training needs. Procurements in FYs 93-97 were the lowest in real-dollar value since the end of the Vietnam War. The SMCA guided the industrial base through a major restructuring that saw the elimination of nearly 70 percent of the Nation's ammunition production capacity. During this period, nine government-owned ammunition plants were transitioned to excess and one was sold.

SMCA also restructured its approach to acquisition and now uses multiyear procurements or long-term requirement contracts. This has reduced the cost of 1 ton of ammunition by 30 percent since 1997. SMCA also aggressively sought to reduce the cost of ammunition stockpile management. Stockpile management and demilitarization of conventional ammunition remain two of the best bargains in DOD. Because procurement costs are the predominant component of conventional ammunition life-cycle costs, the sum of these efforts has significantly decreased the life-cycle cost of the "typical" ton of ammunition.

Additionally, SMCA support was a combat multiplier in combat operations in the Balkans and Persian Gulf, rapidly responding to the demands of other Services for production and movement of bombs and other munitions during these hostilities.

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The Way Ahead

SMCA will most likely evolve into a support structure that provides the Services the ability to leverage off the large volume of training ammunition and periodic replenishment of munitions used in lesser regional contingencies. By maintaining the industrial base, SMCA will allow the Services to minimize the cost of their munitions procurements. Individual procurements will not always be through the SMCA center, instead being managed as joint efforts through the ammunition TRIAD, or independently

managed through the Services dealing directly with SMCA's family of proven suppliers.

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